UNIT FOUR

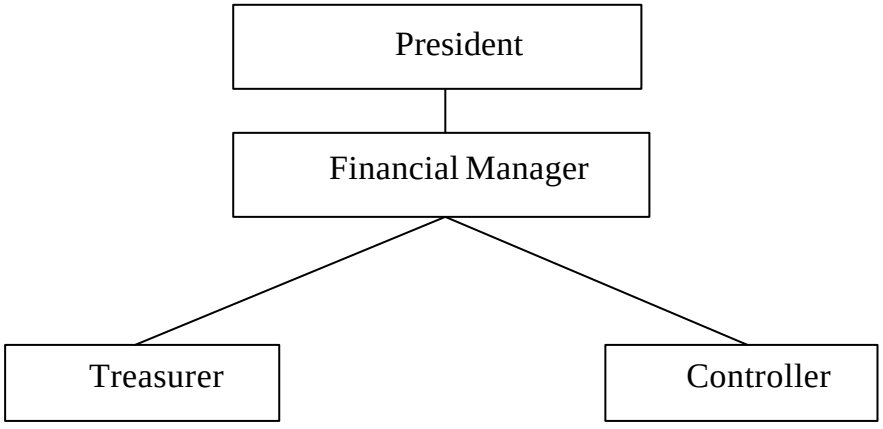
Tapescript for Activities I, II, III – The Role of the Financial Manager

Whether the business is small or large, there is normally one person responsible for the financial management of that business. In a sole proprietorship it may be the owner, in a medium-size business it may be the accountant, and in a large corporation it may be a vice-president. The following chart illustrates the position of the financial manager within a typical firm. You will notice that the financial manager normally reports directly to the president. Reporting to the financial manager are the treasurer and the controller. The **treasurer** is responsible for managing the firm's cash and investments, for planning the financial base of the firm, and for raising capital the firm needs in order to grow. The **controller** is the chief accountant who is normally responsible for the tax department, for determining the cost of producing goods and services, and for the financial accounting of the firm. In a smaller business one individual (normally the owner) may be responsible for all these activities.

The major resposibilities of the financial manager are:

1. To make sure the business can meet its financial obligations (payments).
2. To obtain the money needed to meet the business's financial goals through investment of company funds or other means.
3. To plan and forecast costs, technological changes, financial market conditions, and profits of the business.
4. To estimate risks and plan for the insurance needs of the business and its employees.

Answer keys for Activity I



Answer keys for Activities II, III

See tapescript

Tapescript for Activity IV

DANIEL: As you can see the total sales this year are up by 15 million dollars. That looks fine, don't you think so?

VALENTIN: Oh, yes! And I see the trading profit is up too: from 18,8 to 25,4 million.

DANIEL: And interest on loans hasn't increased at all. It was kept at the same level.

VALENTIN: Pre-tax profit looks OK, but tax at 6.5 million last year and 8.2 million this year makes quite a difference to net profit. That's what, ten point 8 million, up to 11 point 5.

DANIEL: The earnings per share figure is also up by 10 cents, and there's a slight increase in the dividend as well…

VALENTIN: Well, all in all, it looks fine to me.

Answer key for Activity IV

1=315.4
2=18.8
3=25.4
4=4.5
5=17.3
6=8.2
7=10.8
8=11.5
9=19.20
10=3.3

Answer key for the Self-evoluation Test

4.1.

1. accountants
2. methods
3. systems
4. classified
5. private
6. public
7. accountant
8. employed
9. firm
10. employ
11. accounting system
14. management
15. law
16. assistance
17. provide
18. employers
19. self-employed
20. accounting-firms
21. size
22. operations
23. international
24. partners

12. accounting department
13. reports
25. employers

4.2.

26-j; 27-k; 28-e; 29-b; 30-d; 31-a; 32-h; 33-g; 34-I; 35-f; 36-c.

4.3.

37-would be; 38-were planning; 39-intended; 40-would give; 41-had taken; 42-has aimed; 43-had had; 44-was; 45-was fulling; 46-felt; 47-liked; 48-had been; 49-called; 50-had had.

4.4.

51-g; 52-j; 53-c; 54-I; 55-e; 56-a; 57-f; 58-h; 59-d; 60-b.

4.5.

61-a; 62-b; 63-a; 64-b; 65-a; 66-a; 67-a; 68-a; 69-b; 70-b.

4.6.

71-to get; 72-throught; 73-was; 74-was; 75-told; 76-throught; 77-were spending; 78-watching; 79-didn't go out; 80-insisted; 81-thought; 82-enjoyed; 83-continued; 84-didn't remember; 85-was;

4.7.

86-opened; 87-underlined; 88-reaching; 89-outlined; 90-rejecting; 91-pointed out; 92-were; 93-was; 94-explained; 95-was; 96-closed; 97-announced; 98-would be commissioned; 99-added; 100-would be invited.